



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 13, 2008

H.R. 6052 **Saving Energy Through Public Transportation Act of 2008**

*As ordered reported by the House Committee on Transportation and Infrastructure
on May 15, 2008*

SUMMARY

H.R. 6052 would authorize the appropriation of \$850 million in 2009 for grants to public transportation authorities to reduce fares or expand services. The bill also would require all federal agencies in areas that meet certain criteria to offer their employees subsidies to take public transportation; however, almost all agencies currently offer such a benefit. CBO estimates that providing additional transit subsidies under this provision would cost about \$5 million a year.

CBO estimates that implementing H.R. 6052 would cost \$806 million over the 2009-2013 period, assuming the appropriation of the necessary funds. The legislation could also affect direct spending by agencies not funded through annual appropriations (such as the Tennessee Valley Authority). CBO estimates, however, that any net increase in spending by those agencies would not be significant.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 6052 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					2009-2013
	2009	2010	2011	2012	2013	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Public Transportation Grants						
Authorization Level	850	0	0	0	0	850
Estimated Outlays	128	255	170	128	102	782
Transit Benefits for Federal Employees						
Estimated Authorization Level	5	5	5	5	5	25
Estimated Outlays	4	5	5	5	5	24
Total Changes						
Estimated Authorization Level	855	5	5	5	5	875
Estimated Outlays	132	260	175	132	107	806

Note: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 6052 will be enacted near the start of fiscal year 2009 and that the authorized and necessary amounts will be appropriated each year beginning in fiscal year 2009. (H.R. 6052 also would authorize the appropriation of \$850 million in 2008 for grants to public transportation authorities; however, those amounts are not included in this cost estimate because CBO assumes that no further appropriations will be provided in 2008 for such programs.) Estimates of spending are based on historical spending patterns of existing programs.

Public Transportation Grants

H.R. 6052 would direct the Department of Transportation to administer grants that would aid public transportation authorities to either reduce fares or to expand services, and it would authorize the appropriation of \$850 million for fiscal year 2009. That amount includes \$750 million for such programs in urban areas with populations over 50,000 and \$100 million for areas with populations under 50,000. Based on spending patterns for similar programs, CBO estimates that implementing those grant programs would cost \$782 million over the 2009-2013 period.

Transit Benefits for Federal Employees

H.R. 6052 would require all federal agencies with employees in urbanized areas served by public transportation systems that operate on fixed routes to offer their employees passes to be used on such transportation so that they may commute to work. About 40 metropolitan statistical areas have such transportation systems. Under current law, all employees in the National Capital Area are offered such a benefit, and about 35 percent of such employees currently take the benefit.

Although not required by current law, according to the Department of Transportation, the Department of Health and Human Services, and the Environmental Protection Agency, almost all agencies with employees in urban areas outside of the National Capital Area offer their employees a subsidy to take public transportation as would be required by the provisions in H.R. 6052. Because most employees are already eligible for a subsidy, CBO estimates that no more than 5,000 additional employees would receive the subsidy under the bill. Nationwide, the average amount that employees receive for the transit benefit is a nearly \$90 per month. Thus, CBO estimates that implementing this provision would cost about \$5 million annually over the 2009-2013 period, assuming the availability of appropriated funds.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 6052 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit state, local, and tribal governments by authorizing grants for transportation projects.

PREVIOUS CBO ESTIMATE

On July 18, 2007, CBO provided an estimate for H.R. 2701, the Transportation Energy Security Climate Change Mitigation Act of 2007, as ordered reported by the House Committee on Transportation and Infrastructure on June 20, 2007. That bill would also authorize grants to public transportation authorities to either reduce fares or to expand service. Because CBO now assumes that no further appropriations will be provided in 2008 for public transportation programs, the estimate for H.R. 2701 included more spending than our estimate for H.R. 6052. H.R. 2701 would not authorize transit benefits for additional federal employees, but it contains several other provisions with significant costs that are not contained in H.R. 6052. Neither bill contains intergovernmental or private-sector mandates.

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